

organization is a "fraternal organization" or that members of the Sea Organization take "special vows of confidentiality". Defendant states that members of the Church of Scientology in general are often coerced into signing various legal documents, the contents of which they either do not know or are informed that the documents are just "for the government" and that members need not be concerned about them. Defendant states that the "non-disclosure and release bond" commonly utilized by the plaintiff was considered to be unenforceable as a legal document and contrary to public policy. Defendant states that the non-disclosure and release bonds are generally used to conceal criminal and tortious acts, conduct, policies, and "operations" of the plaintiff which are designed to perpetrate such acts.

(4) Defendant denies that he was a staff member of the plaintiff and denies the remaining allegations of par. 4. Defendant's position and membership in the Church of Scientology is more specifically set forth in the Cross-Complaint made a part hereof.

(5) Defendant denies that the plaintiff is a not-for-profit corporation, admits that it is organized under the laws of the state of California, denies that it is a religious organization and admits that it has a principal place of business in Los Angeles, California.

(6) Defendant admits that he was responsible and appointed by L. Ron Hubbard to a project involving the collection and maintenance of information and materials about Hubbard and his commencement of Scientology. Defendants denies that

1 that Scientology is a religion but rather claims that it
2 is a criminal conspiracy fraudulently started by Hubbard
3 that has engaged in a continuous pattern of criminal,
4 fraudulent and tortious operations, practices and policies
5 since its inception right up to the present date. Defendant
6 denies that he was an agent of the plaintiff but rather as
7 a party to a contract with Hubbard. Defendant states
8 that Hubbard had absolute control of all plaintiffs' accounts,
9 that plaintiff acted as the agent of Hubbard and that any and
10 all of his activities were not conducted for the plaintiff
11 but rather for Hubbard. Defendant denies that any and all
12 materials collected or maintained by him in said project are
13 the personal property of plaintiff, but rather states that said
14 materials constitute his property or the property of Omar V.
15 Garrison. Defendant further states that the materials and
16 documents collected by him in said project in many respects
17 reveal a consistent pattern of fraud perpetrated by Hubbard
18 through his agent, the plaintiff, upon members of the Church
19 of Scientology and the public at large. Defendant asserts that
20 the membership of the Church of Scientology and the general
21 public have an interest in said materials and documents in
22 order to reveal the falsity of numerous representations uni-
23 formly made in writing by Hubbard and the plaintiff.

24 (7) Defendant admits that the purpose of
25 gathering and collecting the materials in his contract with
26 Hubbard was for the purpose of providing those materials to
27 Omar V. Garrison to write a biography of Hubbard. Defen-
28 dant asserts that he learned the contents of

2 numerous materials they realized that Hubbard's background,
3 qualifications, credentials and claims as represented by
4 him and the plaintiff as his agent in writing have been
5 uniformly misrepresented and constitute a fraud on the public
6 at large which is purchasing plaintiff's publications and
7 also upon Church membership.

8 II.

9 ANSWER TO FIRST CAUSE OF ACTION

10 (8) Defendant repeats and repleads each and every
11 answer contained in answer 1 through 7 above and incorporates
12 the same herein as though fully set forth herein.

13 (9) Defendant denies the allegations in par. 9 and
14 claims that any materials in his possession were and are properly
15 in his possession and constitutes the property of him or Omar
16 Garrison, but that the plaintiff is "a public figure" and that
17 the information contained in any materials and documents in
18 his possession should be properly known to the public.

19 (10) Defendant denies that the property recited in
20 the Complaint has any value apart from the value of the infor-
21 mation contained in the documents. Defendant states that the
22 value of the information contained in the documents is incalculable
23 because if said information was made known to the public at
24 large and/or the membership of the Church of Scientology it
25 would uniformly refute almost all of the claims made about
26 Hubbard, his background, qualifications, credentials and purposes
27 in beginning the Church of Scientology.

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(11) Defendant denies that he wrongfully converted any property but claims that said property was and is properly in his possession and/or the possession of Omar V. Garrison. Defendant further states that the xerography and use of any photographic paper or chemicals was for Hubbard and not for the plaintiff and that said xerography and photographic paper and chemicals were properly utilized by him.

(12) Defendant denies that plaintiff has made any proper written demand for said documents or materials, on the grounds that said materials and documents do not belong to the plaintiff but rather to the defendant and/or Omar Garrison. Defendant also denies that there was any wrongful taking and conversion of any property by defendant.

(13) Defendant denies that there has been any conversion of any property or that any property in his possession belongs to the plaintiff and therefore denies that the plaintiff has incurred any damage in connection with any effort to regain said property.

(14) Defendant denies that any of his acts were intentional, deliberate, willful, wanton, malicious, oppressive, or were committed with intent to defraud plaintiff or in disregard of the rights of the plaintiff. Defendant denies that plaintiff is entitled to recover any damages, but rather asserts that he is entitled to recover damages as more fully set forth in his Cross-Complaint filed herewith.

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SECOND CAUSE OF ACTION

(15) Defendant repeats and repleads each and every answer contained in paragraphs 1 through 7 above and incorporates them herein as though fully set forth herein.

(16) Defendant denies that he became a fiduciary to the plaintiff regarding any materials or documents under his custody or control or that he assumed any legal duty to the plaintiff except a legal duty in contract with Hubbard to write his biography with Garrison with whom defendant had an agreement as research assistant to provide documents and other relevant materials for the biography project.

(17) Defendant denies that there is any conflict of interest between him and the plaintiff and/or the Ralston Pilot Publishing Company in violation of any fiduciary duty.

(18) Defendant denies the enforceability or validity of Exhibit B to the Complaint. Defendant states that the non-disclosure and confidentiality bonds referred to are in violation of public policy, constitute a fraud on the general public and Church membership, and have been adjudicated to be unenforceable in the case of Church of Scientology v. La Venda Van Schaick, et al, Clark County, Nevada, Civil No. A196800. Defendant further states that any and all information contained in the documents and materials which he collected on behalf of Hubbard for Omar V. Garrison contain information about a "public figure", do not constitute trade secrets, reveal evidence of a sustained pattern of criminal fraud and misrepresentation, and that it is

1 in violation of public policy to coerce the execution of
2 non-disclosure and confidentiality bonds in said circumstances.
3 Defendant denies that he has intentionally and without legal
4 excuse breached any duty of confidentiality.

5 (19) Defendant denies that he has made any unauthor:
6 disclosure of any confidential information, or that he has
7 caused injury to any reputation or diminution in value of any
8 materials. Defendant asserts that the referenced biography
9 of Hubbard cannot be written with the uniform misrepresentati
10 and fraudulent policies and practices exercised by the plaint:
11 because the information contained in the documents which he
12 collected reveal said misrepresentation and fraud. Defendant
13 further alleges that the truth of the matter contained in said
14 materials is a defense to any claims for damages based upon
15 defamation. Defendant further states that public policy for-
16 bids the concealment of the information contained in said doc-
17 ments and materials and encourages the dissemination and dis-
18 closure of said information.

19 (20) Defendant denies that plaintiff is or can make
20 any demand to cease unauthorized disclosures of confidential
21 information, or that the information is confidential or that
22 he can be prevented from making said disclosures in the form
23 of affidavits to appropriate courts for the purpose of crimin
24 and civil litigation.

25 (21) Defendant denies that any unauthorized disclos
26 of confidential information have caused any damages to the
27 plaintiff, or that the plaintiff has standing to assert any
28 such damages, or that an authorized biography of Hubbard can

1 be written by the plaintiff which is not false and fraudulent,
2 unless the plaintiff admits the truth of the information con-
3 tained in the documents and materials which he collected.

4 (22) Defendant denies that any of his acts were
5 intentional, deliberate, willful, wanton, malicious or oppressive
6 and committed with intent to defraud the plaintiff or in reckless
7 disregard of plaintiff's rights and denies that plaintiff is
8 entitled to any damages, but rather claims damages as set forth
9 in the counterclaim herein.

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11 IV.

12 THIRD CAUSE OF ACTION

13 (23) Defendant repeats and repleads each and every
14 answer contained in paragraphs 1 through 7 and 15 through 22
15 above and incorporates them by reference as though fully set
16 forth herein.

17 (24) Defendant denies that he has converted any pro-
18 perty of the plaintiff in breach of any fiduciary duty or that
19 he will be unjustly enriched at plaintiff's expense. Defendant
20 denies that a constructive trust should be impressed upon said
21 property or that he should be named as trustee on behalf of
22 the plaintiff. Defendant claims that any attempt to prevent
23 the disclosure of any of the information in said documents and
24 materials will be a prior restraint on freedom of speech and
25 expression in violation of the First Amendment to the United
26 States Constitution. Defendant further states that any infor-
27 mation in said documents is information about a public figure
28 and said information should be made available to the general

public and to the membership of the Church of Scientology.

IV.

ANSWER TO REQUEST FOR DECLARATORY AND INJUNCTIVE RELIEF

(25) Defendant repeats and repleads each and every answer contained in paragraphs 1 through 7 and 15 through 22 above and incorporates them herein as though fully set forth herein.

(26) Defendant admits that there is a controversy between plaintiff and defendant because plaintiff has brought the subject action. Defendant denies the subject action was properly brought but that it is merely intended to be harassing and vexatious, and defendant denies that he owes any duty of fiduciary or other nature to the plaintiff.

(27) Defendant admits that a judicial determination of the respective rights and duties of the parties must now be made because the suit has been harassively and vexatiously brought by the plaintiff, but defendant denies that he owes any duties and obligations to the plaintiff but rather the plaintiff is responsible for fraudulent misrepresentation and other torts more fully set forth in the Cross-Complaint filed herewith. Defendant denies that a constructive trust should be imposed upon said property.

(28) Defendant admits that a judicial declaration is now necessary in the subject action.

(29) Defendant denies that this Court should preliminarily or permanently enjoin the defendant from unauthorized dissemination of any information contained in said documents

on the grounds that the information is not confidential, that it is in violation of public policy to conceal it, that plaintiff has no standing in which to bring the subject action, and that information, unless it is in the form of a trade secret, is not protected under the law.

VII.

ANSWER TO PRAYER FOR RELIEF

Defendant answers as follows to the plaintiff's prayers:

(1) Defendant denies that general and special damages as to the first cause of action should be awarded to the plaintiff.

(2) Defendant denies that the Court should order the return of any property to the plaintiff based on the first cause of action.

(3) Defendant denies that general and special damages should be accorded to the plaintiff on the second cause of action.

(4) Defendant denies that this Court should issue either a temporary restraining order or a preliminary or permanent injunction prohibiting him from disseminating any information about the plaintiff, and that any such order would be in violation of his right to freedom of speech and expression under the United States Constitution, Amendment 1.

(5) Defendant denies that punitive and exemplary damages in the amount of \$50,000.00 should be awarded per cause of action.

(6) Defendant denies that a constructive trust should

be impressed upon any property in the possession of the defendant.

(7) Defendant denies that any materials in the project referred to can be disseminated, copied or made available to the public only with the express authorization of the Church of Scientology of California.

(8) Defendant denies that reasonable attorneys' fees or costs should be awarded in such action, except as set forth hereinafter in defendant's counterclaim.

VIII.

AFFIRMATIVE DEFENSES

(1) And further answering to the Complaint, defendant states that the plaintiff's action is barred by the doctrine of unclean hands. Plaintiff has engaged in a 30-year history of criminal and tortious conduct, abuse of the judicial system, and specific written policies to attack, "sue", "cheat", "lie to", "steal from" and destroy any person or entity which it perceives to be an enemy. The plaintiff's criminal and tortious policies have been recognized by numerous courts, and the doctrine of unclean hands has been specifically applied to plaintiff's conduct in bringing frivolous, vexatious and harassing legal actions.

(2) And further answering to the Complaint, defendant states that the plaintiff's action is barred by the doctrine of laches. Hubbard has been in possession of most of the information contained in the documents for the past 30 years. The documents and materials collected have been in the possession

of Omar Garrison for a period covering at least ;
to early 1982. Plaintiff's failure to prohibit t
of the documents and information to Garrison, a t
not a member of the plaintiff Church, bars any an
relief to prevent the dissemination of documents t
parties or to recover damages for said dissemination.

(3) And further answering, defendant states that
the plaintiff does not have standing to bring the present action.
The documents and materials only have value in so far as they
contain information about L. Ron Hubbard, a public figure. The
information contained in said documents could only be barred
from dissemination if it constituted trade secrets, was defamatory,
or violated a right of privacy of L. Ron Hubbard. Since Hubbard
has not asserted any claim to said materials on the violation
of either his rights of privacy, or the unlawful dissemination
of trade secrets or defamatory information, plaintiff has no
standing to assert said claim on his behalf.

(4) And further answering, defendant states that
plaintiff cannot be entitled to damages or injunctive relief
as a matter of law unless the documents and materials collected
by defendant and the information contained therein have been
disseminated in violation of rights of privacy of L. Ron Hubbard,
constitute false and defamatory statements, or constitute trade
secrets.

(5) And further answering, defendant states that 'it
is against public policy and in violation of defendant's rights
under the First Amendment to the U.S. Constitution to prevent
him from disclosing or disseminating the information contained

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in the subject documents and materials, or the docu
materials themselves.

WHEREFORE, defendant prays that plaintiff
and that defendant be given judgment against plaint
costs incurred herein and for such other and further relief as
may seem just and proper.

DATED: September 16, 1982

CONTOS & BUNCH

By: Bruce M. Bunch

BRUCE M. BUNCH
Attorneys for Defendant,
GERALD ARMSTRONG

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STATE OF CALIFORNIA, COUNTY OF Los Angeles

I am the Defendant

in the above entitled action or proceeding. I have read the foregoing ANSWER TO COMPLAINT

and know the contents thereof; and I certify that the same is true of my own knowledge, except as to those matters which are therein stated upon my information or belief, and as to those matters I believe it to be true.

I declare, under penalty of perjury, that the foregoing is true and correct.

Executed on September 16, 1982 at Woodland Hills, California
(date) (place)

Gerald Armstrong
Signature GERALD ARMSTRONG

PROOF OF SERVICE BY MAIL (1013a, 2015.5 C. C. P.)

STATE OF CALIFORNIA, COUNTY OF LOS ANGELES

I am a resident of the county aforesaid; I am over the age of eighteen years and not a party to the within entitled action; my business address is:

5855 Topanga Canyon Blvd., Ste. 400, Woodland Hills, CA 91367

On September 17, 1982, I served the within ANSWER TO COMPLAINT BY
GERALD ARMSTRONG

on the parties herein
in said action, by placing a true copy thereof enclosed in a sealed envelope with postage thereon fully prepaid, in the United States mail at Woodland Hills addressed as follows:

CARL E. KOHLWECK
GREY & KOHLWECK
1821 Wilshire Blvd., Ste. 210
Santa Monica, CA 90403

JOHN G. PETERSON
TRABISH & PETERSON
4676 Admiralty Way, Ste. 902
Marina Del Rey, CA 90291

I declare, under penalty of perjury, that the foregoing is true and correct.

Executed on Sept. 17, 1982 at Woodland Hills, California
(date) (place)

Patricia J. Rucker
Signature
PATRICIA J. RUCKER

